

**RURAL DEVELOPMENT
RURAL HOUSING SERVICE**

OREGON ANNUAL REPORT 2003

Single Family Housing in Oregon finances \$92,091,750 in rural housing

The Rural Housing Service of USDA Rural Development works to improve the quality of life for rural Oregonians by ensuring that they have access to safe and well constructed affordable housing. Home ownership builds stable communities and over the long term creates equity.

A house is more than a roof over a family's head. It is the cornerstone to a family's ability to live near good jobs and to gain access to good schools, public services and community benefits.

People vested in their homes not only take greater pride in their communities, they also become more involved in the community. RHS not only helps Oregonians acquire homes, it builds better lives and communities.



Single Family Housing FY 2003 activity

- Assisted 4,365 rural families
- Obligated \$92,091,750
- Three Self-Help pre-development technical assistance grants were awarded to establish Self-Help Housing Programs throughout rural Oregon

Single Family Housing Program investments in Oregon during Fiscal Year 2003

	Homes	Amount
Section 502 Transfer & Assumptions	17	\$ 1,524,617.00
Section 502 Direct Loan Program	202	\$ 19,177,749.00
Loan Payment Interest Assistance	3,349	\$ 6,973,770.00
Section 502 Guaranteed Loan Program	574	\$ 62,203,670.00
Section 504 Housing Rehabilitation Program Loans	89	\$ 612,438.00
Section 504 Housing Rehabilitation Program Grants	100	\$ 468,724.00
Non-Program Credit Sales	2	\$ 185,714.00
Self-Help Technical Assistance Grants	3	\$ 447,472.00
Josephine County Enterprise Community Housing	9	\$ 497,596.00
Total	4,345	\$ 92,091,750.00

Multi-Family Housing invests \$15,993,705.71 in rural Oregon

The Multi-Family Housing program of the Rural Housing Service provides apartment style living for households with low and moderate incomes and for those ages 62 and older, or disabled, regardless of age. In Oregon, the Housing Preservation Grant program is also administered by Multi-Family Housing staff. There are two types of loans offered through the Multi-Family Housing program, guaranteed and direct. The purpose of both loans is to provide financing to purchase and rehabilitate, or construct apartments for low or moderate income families and farm laborers.

Multi-Family Housing FY 2003 Report

	Number of Units	
<i>Rental Housing Rehab Loans</i>	<i>None</i>	
<i>Rental Housing Transfers/ Assumptions/Rehabilitation</i>	166	\$ 1,794,984.00
<i>Farm Labor Housing/ Rehab Loans and Grants</i>	297	\$ 1,050,000.00
<i>Farm Labor Housing/ Loans and Grants</i>	24	\$ 2,232,542.00
<i>Housing Preservation Grants</i>	15	\$ 87,706.00
<i>Rental Assistance Payments</i>	3,931	\$ 10,828,473.71
Total	4,433	\$ 15,993,705.71

**RURAL DEVELOPMENT
RURAL UTILITIES SERVICE**

OREGON ANNUAL REPORT 2003

Investing \$24,210,132 in infrastructure

Electricity, telephone, water and waste disposal service have been taken for granted in most of urban America since at least the 1920s. But if you lived in rural America only 60 years ago, chances are you went without these necessities of modern life and the higher standards of living they make possible.

Modern utilities came to rural America through some of the most successful government initiatives in U.S. History, carried out through the U.S. Department of Agriculture working with rural cooperatives, nonprofit associations, public bodies, and for profit utilities.

Today, USDA Rural Development carries on this tradition of helping rural utilities expand and keep their technology up to date, and helping establish new and vital services such as distance learning and telemedicine. This work is carried out through the Rural Utilities Service (RUS).

RUS, through its electric, communications, and water and waste disposal programs, issues and guarantees loans and grants to eligible utilities in order to build and modernize necessary systems for future economic development in rural Oregon.



Rural Utilities Service Report

- Invested \$9,944,140 through loans for water and waste disposal projects
- Awarded \$6,360,000 in grants for water and waste disposal projects
- Benefited 20,587 people through Rural Development investment in wastewater projects in Oregon

Connecting Rural Oregon with \$27,614,608 in Distance Learning and Telecommunications financing

The telecommunications program of the Rural Utilities Service awarded \$27,614,608 in loans and grants during Fiscal Year 2003 to Oregon communities. Financial assistance included the awarding of three Distance Learning Telemedicine (DLT) grants in Oregon. The grants were \$237,137 to Rouge Community College District, \$500,000 to Sacred Heart Medical Center Foundation, and \$233,548 to Samaritan North Lincoln Hospital.

RUS also awarded a DLT combination of \$10,000,000 loan and \$1,000,000 grant to ASANTE Medical Foundation.

Through the Weather Radio Transmitter grant program, RUS awarded a \$47,715 grant to the Port of Siuslaw. The grant will finance the purchase of weather radio transmitters.

RUS awarded two community Connect Broadband grants in Oregon. A \$349,424 grant was awarded to Sawtooth Technologies and a \$695,832 grant went to the Confederated Tribes of the Warm Springs Reservation.

Telecommunications loans for Oregon companies included \$10,355,450 to Oregon Telephone Corporation and \$4,195,500 to Pine Telephone Systems Inc.

Community Facilities

While funded through the Rural Housing Service, the Community Facilities program in Oregon is administered by the RUS staff. Through the Community Facilities program, USDA Rural Development issues loans and grants to public entities in order to construct, enlarge, or improve community facilities for health care, public safety, and public services. The programs are intended for use in rural areas and towns of not more than 20,000 people.

Community Facilities Report

- Awarded \$370,000 in grants
- Invested \$7,128,992 in direct and guaranteed loans



**Rural Development
Rural Business-Cooperative Service**

Oregon Annual Report 2003

Investing in rural business opportunities

Helping rural Oregon businesses and cooperatives develop and prosper in the global marketplace is within the mission area of the Rural Business-Cooperative Service (RBS). This mission is accomplished by investing financial resources and technical assistance in businesses, cooperatives and communities, and by building partnerships that leverage public, private and cooperative resources to stimulate rural economic activity.

Business programs of RBS include guaranteeing commercial lending and revolving loan funds and technical assistance. The commercial lending portion of RBS consists of the Business and Industry Guaranteed Loan Program that helps to create jobs and stimulates rural economic activities.

The mission of the Rural Business-Cooperative Service of USDA Rural Development is to enhance the quality of life for all rural Americans by providing leadership in building competitive businesses and cooperatives.

Rural Business-Cooperative Service Report

- \$367,500 for four value added development grants
- \$537,000 for three Rural Business Enterprise grants
- \$760,000 to replenish two existing Intermediary Relending Program revolving loans
- \$1,100,000 for one Business & Industry Guaranteed loan

Enhancing Rural Oregon

To meet business credit needs in under served areas, RBS business programs are usually leveraged with the resources of commercial, cooperative, or other private sector lenders.

Business programs of RBS include commercial lending, revolving loan funds and technical assistance. The commercial lending portion of RBS consists of the Business and Industry (B&I) Guaranteed Loan Program that helps to create jobs and stimulates rural economies by providing financial backing for rural businesses. The revolving loan funds and technical assistance section offers Intermediary Relending Program loans, Rural Business Enterprise Grants, Rural Business Opportunity Grants and Rural Economic Development Loans and Grants to eligible organizations.



Tracey and Carol Miller establish Oakridge Les Schwab Tire Center

Tracey Miller worked 14 years for Les Schwab in Yakima, WA. when he and Carol Miller had the opportunity to purchase an existing tire store in Oakridge, OR. The store was operating as a Les Schwab associate dealer and did not have a "member dealer" designation.

By purchasing the store and converting it to a member dealer, the Millers could buy inventory at lower cost and expand the business to include all of Les Schwab's services. Being a member dealer also included the advantage of having Les Schwab signage and associated advertising.

USDA Rural Development and Rural Business-Cooperative Service came into the picture when the time came to finance the project. Miller qualified for a \$150,000 loan from a conventional lender in addition to using \$60,000 of his own money. However, the finance package still had a \$150,000 gap.

Lane Council of Governments (LCOG) stepped in with a \$150,000 loan. The loan was made possible through a revolving loan established by LCOG with funds obtained from USDA's Intermediary Relending Program.

Agriculture Secretary Ann M. Veneman

USDA is focused on bringing new opportunities and improved quality of life to Oregon

The Bush Administration has made great strides in supporting investments in America's rural communities. From the successful implementation of the 2002 Farm Bill to passage of the Healthy Forest Restoration Act, President Bush's policies are helping strengthen the economic health of rural America.

Through USDA's Rural Development programs, it is estimated that over 510,000 jobs have been created or saved since the beginning of the Bush Administration. USDA has invested nearly \$2.5 billion for rural business development in the form of loans, grants and technical assistance.

USDA RD is also working with local communities to build and strengthen economic development partnerships

with state and local governments. Some \$183 million has been invested in Empowerment Zones and Enterprise Communities (EZ/ECs).

Rural infrastructure, such as education, healthcare, telecommunications, water treatment and community facilities, has been supported by more than \$13 billion in grants and loans. More than \$10.2 billion has been invested in rural housing, much of which supports the President's ambitious goal to increase minority homeownership by 5.5 million by 2010.

As we look to the future, we remain dedicated to ensuring that investments in rural Oregon continue to bring new economic opportunities and an improved quality of life to rural families and communities.

**Overview by Gilbert Gonzalez,
Acting Undersecretary for Rural Development**

As rural America's venture capital bank, USDA Rural Development seeks to support local efforts by providing financing to create housing, business development, technology and community infrastructure and essential community facilities.

Over the last year, the Bush Administration through USDA Rural Development has provided over \$31 billion in capital financing to assist rural citizens and communities invest in their future.

USDA Rural Development national capital investments in FY 2003 include: assisting over 43,000 families realize their dream of homeownership; assisting over 100 rural agri-businesses with financing of energy efficient and renewable energy systems; assisting with the financing of over 12,000 business ventures to create or save nearly 90,000 jobs; and assisting with the financing of community infrastructure facilities that will benefit an estimated 7 million rural citizens.

**A Message from
State Director Lynn Schoessler**

The federal fiscal year that ended September 30, 2003 presented Oregon USDA Rural Development with many opportunities and challenges. The agency continued to focus on rural community development and also initiated a staff reorganization to be consistent with the national organization model.

The common thread of our many program efforts was to help rural communities and the people who live there.

Through 27 different programs, **more than \$162,824,695** was invested by Rural Development in smaller Oregon towns

One of the greatest challenges facing rural Oregon communities continues to be the ability to preserve the qualities of rural life while at the same time creating a viable economic strategy.

Rural Development's accomplishments would not be possible without the dedicated efforts of more than 80 employees. I would like to take this opportunity to thank our many partners throughout Oregon who have worked closely with us in expanding the use of our programs. Also, I would like to personally thank the dedicated Rural Development employees in Oregon for their hard work and a job well done.

---LYNN SCHOESSLER

**Rural Development fund distribution
FY 2003**

<i>Single Family Housing</i>	<i>\$ 92,091,750</i>
<i>Distance Learning</i>	<i>\$ 27,614,608</i>
<i>Telemedicine</i>	<i>\$ 16,304,140</i>
<i>Rural Utilities Service</i>	<i>\$ 15,993,705</i>
<i>Multifamily Housing</i>	<i>\$ 7,498,992</i>
<i>Community Facilities</i>	<i>\$ 2,764,500</i>
<i>Rural Business</i>	
<i>Cooperative Service</i>	
TOTAL	\$162, 267,695

USDA Rural Development

A mission area administering programs for
Rural Housing Service • Rural Utilities Service • Rural Business Cooperative Service

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RURAL DEVELOPMENT
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RURAL DEVELOPMENT IS AN AGENCY OF THE U.S. DEPARTMENT OF AGRICULTURE WHICH OPERATES FEDERAL LOAN PROGRAMS DESIGNED TO FINANCE NEW AND IMPROVED RURAL HOUSING, DEVELOP COMMUNITY FACILITIES AND MAINTAIN AND CREATE RURAL EMPLOYMENT. ALL APPLICATIONS FOR RURAL DEVELOPMENT SERVICES ARE CONSIDERED WITHOUT REGARD TO RACE, COLOR, NATIONAL ORIGIN, GENDER, RELIGION, SEXUAL ORIENTATION, MARITAL STATUS, AGE, DISABILITY, POLITICAL BELIEFS, NATIONAL ORIGIN AND MARITAL AND FAMILY STATUS. (NOT ALL PROHIBITED BASES APPLY TO ALL PROGRAMS). TO FILE A COMPLAINT OF DISCRIMINATION, WRITE USDA, DIRECTOR, OFFICE OF CIVIL RIGHTS, ROOM 326-W, WHITTEN BUILDING, 14TH AND INDEPENDENCE AVE., SW WASHINGTON DC 20250 OR CALL (202) 720-5964 (VOICE OR TDD)



**USDA Rural Development
Oregon Annual Report 2003**

Connecting Assets in Rural Oregon



St Helens Mutual Self-Help Housing



Garibaldi water project



Investing \$162,267,695 in public funds



Condon wastewater treatment plant check presentation



Secretary Ann Veneman at Wheat Marketing Center